

Press Release
Office of Mayor Chuck Reed

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**Mayor Reed's Redevelopment Budget Message
Focuses on Enhancing San José's Economic Vitality
*New Funding Proposed to Expand Driving Industries
and Boost Downtown as a Creative Urban Center***

SAN JOSE – Mayor Chuck Reed's commitment to increasing San José's economic vitality is reflected in his Budget Message for the City's \$199 million Redevelopment Agency capital budget released this afternoon.

"San José's structural budget deficit remains Public Enemy Number 1. To eliminate it, we must increase our economic vitality," said Mayor Reed. "If we want to invest in parks and community centers, put more cops on the beat, fix potholes, and solve our structural budget deficit, we must increase jobs in our driving industries and investment in our Downtown."

To increase Downtown's role as a creative center for Silicon Valley, the Mayor proposes:

- Investing \$10 million to upgrade the historic Civic Auditorium so it can serve the region as a 3,000-seat, high quality, intimate concert venue.
- Acquiring the first floor, lobby, and basement of the historic Bank of America building for a future BART portal into Downtown.
- Dedicating \$2.4 million to implement the 1stACT's Small Wonders for Downtown.

"While San Jose is known today as the Capital of Silicon Valley, we must continue to attract creative and talented people to keep Silicon Valley the world center of innovation," Mayor Reed said. "Having a vibrant urban center is critical to meet this goal. The City's investments in a creative urban center will catalyze the public-private partnerships necessary to successfully connect arts, creativity, and technology to build a vibrant community."

To enhance vitality in the industries that drive San José and Silicon Valley's economy, Mayor Reed is recommending the following additions to the Agency budget:

- Bioscience Pilot Manufacturing Facility – \$200,000 to identify and begin to establish a manufacturing building for emerging biotech companies.
- Edenvale Emerging Technologies Fund – \$1.4 million to continue Edenvale's growth as a bioscience and emerging technology innovation cluster. This funding will allow the redevelopment or rehabilitation of Research and Development and manufacturing facilities, as well as the acquisition of capital equipment.

- San José BioCenter Expansion – \$2.5 million to allow existing tenants to expand.
- North San José – Of the \$26.5 million allocated for road improvements in North San José, \$15 million will be a flexible source for community needs such as roads and other infrastructure.

The Mayor's Budget Message also continues support for the San José neighborhoods most in need of investment through the Strong Neighborhoods Initiative. New investments proposed in the Mayor's message include:

- Traffic Calming – \$1,375,000 for projects that calm traffic in the Delmas Park, Edenvale/Great Oaks, Gateway East, Greater Gardner, K.O.N.A., Market/Almaden, Mayfair, Spartan/Keyes, Washington, and Winchester project areas.
- McLaughlin Neighborhood Park – \$2.5 million for park development.
- Historic Pillar Project on The Alameda – \$50,000 to engineer and recreate the historic entry pillars at the gateway to the Shasta Hanchett Park neighborhood, a City of San José historic conservation district.
- Pat Dando Hoffman-Via Monte Community Center – \$1.5 million for site acquisition and planning.
- West San José Community Center – \$300,000 to expand meeting room space at this existing community center.
- Starbird Sports Field Renovation Project – \$900,000 to enhance recreational opportunities in the City's most park deficient Council District.
- Edenvale/Great Oaks Community Facility Project – \$1.9 million for feasibility studies and design with direction to the Executive Director of the Agency and the City Manager to explore alternative funding sources for the \$10 million allocated for the Blossom Hill/Highway 101 Interchange and Calpine Fund allocation for the Albertson Parkway Trail Project. If sources are found, funds may be reallocated to the community center project.
- Fire Station 2 – An additional \$1.4 million to be held in reserve for upgrades to the fire station, conditional upon amendment of the Redevelopment Plan.
- Union/Curtner Business Improvements – \$379,808 for façade improvements in the Union/Curtner area.
- Watson Park – \$2 million for toxics remediation.
- St. James Park – \$1 million to improve St. James Park.
- K.O.N.A. Area School Partnerships – \$508,867 for school partnerships.
- West Evergreen Park – \$519,493 for a one-acre park and joint use agreement with Evergreen School District.

While the Agency's proposed capital budget totals \$199 million, unfunded projects total \$381 million. Nearly \$63 million of these unfunded projects are in the Strong Neighborhoods Initiative communities. Mayor Reed's Budget Message asks staff to analyze the feasibility of increasing the Agency's cap on bond indebtedness, which would allow the Redevelopment Agency fund additional projects.

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